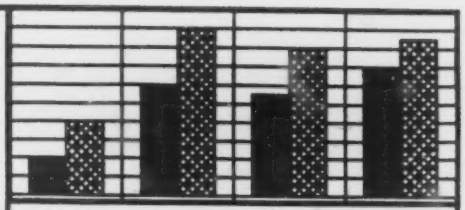
Delaware Digest

Labor Market Monthly

Volume 1, No. 1 May, 1991

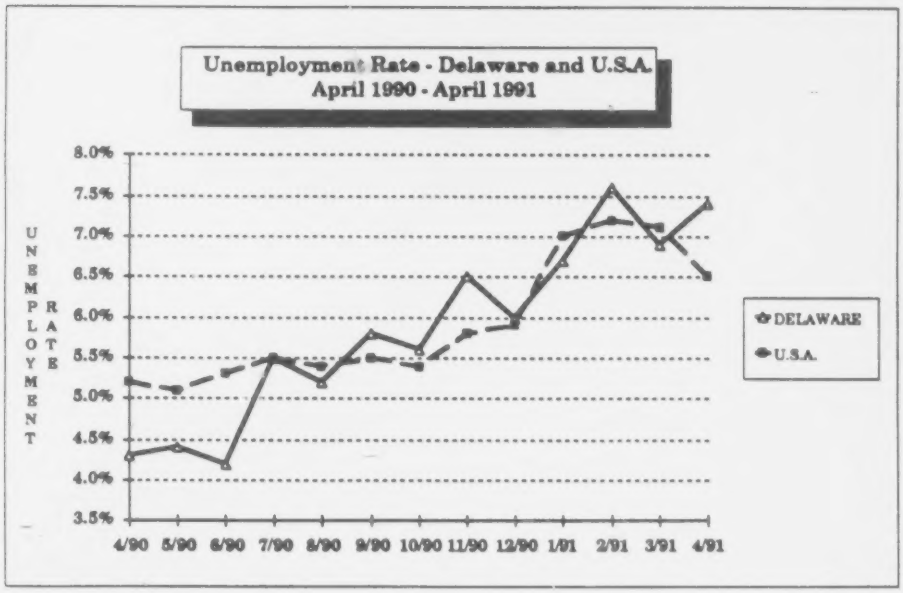


Delaware Department of Labor
Office of Occupational & Labor Market Information

Temporary Auto Layoffs Spur April Unemployment Rate

Delaware's unemployment rate rose to 7.4% in April 1991 from 6.9% in March 1991 due mostly to temporary layoffs in the auto industry. The rate in April 1990 was lower at 4.3 percent. The number of jobless Delawareans in April 1991 was 26,700 compared to 15,500 during the same month last year. From April 1990 to April 1991, the State labor force rose slightly from 359,600 to 363,300.

Total nonagricultural employment decreased by 5,000 over the month to 336,600 jobs. Monthly job losses were primarily in **manufacturing** (transportation equipment). Over-the-month job gains were in **contract construction** (heavy construction; and special trades) and **retail trade** (seasonal increase in eating and drinking places).



The Delaware Digest: Labor Market Monthly replaces the quarterly ***Delaware Digest*** and the ***Delaware Monthly Labor Report***. It includes up-to-date employment and unemployment statistics with each issue highlighting an important part of Delaware's Labor Market.

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Labor Force Trends

Since the beginning of 1991, temporary layoffs at Delaware's two auto assembly plants have driven the State's jobless rate higher. This was the story in April as unemployment in Delaware rose to 7.4%, compared to 6.9% in March. The March rate was lower due to a recall of the same auto workers who had been laid off in February. This "in again, out again" movement of workers is credited to production cutbacks due to high inventories and slow car sales nationally. As a result, employment at both Delaware auto assembly plants has fluctuated and will continue to do so in the coming months. In addition auto parts suppliers and several trucking firms (automobile haulers) who directly serve the auto plants have been impacted as well.

In April of 1990, Delaware's unemployment rate was much lower at 4.3 percent. Since the same period a year ago, Delaware, as well as a majority of the states have been faced with higher unemployment. Only six states (Louisiana, Wyoming, Arizona, Utah, North Dakota, and Hawaii) have reported lower rates this Spring compared to a year ago. Mid-Atlantic and New England states, especially Massachusetts, Maine, Rhode Island, and Pennsylvania, continue to be among the hardest hit by the recession. Nationally, April's unemployment rate was 6.5%, marking the sixth time in the past eight months that Delaware's rate was higher than the U.S rate.

From April 1990 to April 1991, the number of Delaware residents working or actively seeking work (civilian labor force) rose slightly from 359,600 to 363,300. The estimate of employed residents is down since April of last year from 344,200 to 336,600. The number of jobless Delawareans in April 1991 was 26,700 compared to 15,500 during the same month last year.

For the months to come, expect continued fluctuation in auto industry employment with a resulting roller coaster effect on the unemployment rate. In April both plants were closed, while in May they reopened. However, temporary layoffs will occur later this summer as General Motors and Chrysler plan retooling projects, continuing employment volatility in this industry. Despite reports that major automakers may shut down plants throughout the country, the long-term outlook for Delaware's plants looks good, considering recent multi-million dollar high-technology facility improvements by Chrysler and General Motors.

Even though reports by many economists may indicate the beginnings of a gradual economic recovery sometime this summer, employers tend to be skeptical until economic expansion is assured. This may cause employers to limit seasonal hiring in the spring and summer, therefore curtailing job opportunities for students. Also, the job market for recent high school and college graduates will be tighter than normal, causing upward pressure on the number of unemployed job seekers this year. Therefore, lack of hiring, coupled with temporary auto industry layoffs over the next several months, will cause the unemployment rate to remain at relatively high levels.

Delaware's Civilian Labor Force

	April 1991	March 1991	April 1990
Civilian Labor Force	363,297	365,625	359,625
Employment	336,588	340,459	344,168
Unemployment	26,709	25,166	15,457
Unemployment Rate	7.4	6.9	4.3
National Unemployment Rate	6.5	7.1	5.2

Local Area Unemployment Statistics

April 1991 - Preliminary

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide (1)	363,297	336,588	26,709	7.4
2. Wilmington, PMSA (3)	316,460	291,101	25,359	8.0
3. New Castle County (2)	248,386	228,879	19,507	7.9
4. Balance of NCC (3)	213,949	197,903	16,046	7.5
5. Wilmington City (3)	34,437	30,976	3,461	10.1
6. Newark City (3)	13,571	12,781	790	5.8
7. Kent County (2)	52,370	48,450	3,920	7.5
8. Sussex County (2)	62,541	59,259	3,282	5.2
9. United States (Non-Seasonal) (6)	124,727	116,678	8,049	6.5
10. United States (000's) (5)	125,672	117,398	8,274	6.6

March 1991 - Final

Labor Area and Subareas	Labor Force	Employed	Unemployed	Unemployment Rate
1. Statewide (1)	365,625	340,459	25,166	6.9
2. Wilmington, PMSA (3)	317,128	296,497	20,631	6.5
3. New Castle County (2)	249,513	233,733	15,780	6.3
4. Balance of NCC (3)	214,756	202,100	12,656	5.9
5. Wilmington City (3)	34,757	31,633	3,124	9.0
6. Newark City (3)	14,312	13,052	1,260	8.8
7. Kent County (2)	52,985	48,414	4,571	8.6
8. Sussex County (2)	63,127	58,312	4,815	7.6
9. United States (Non-Seasonal) (6)	124,443	115,639	8,804	7.1
10. United States (000's) (5)	125,326	116,754	8,572	6.8

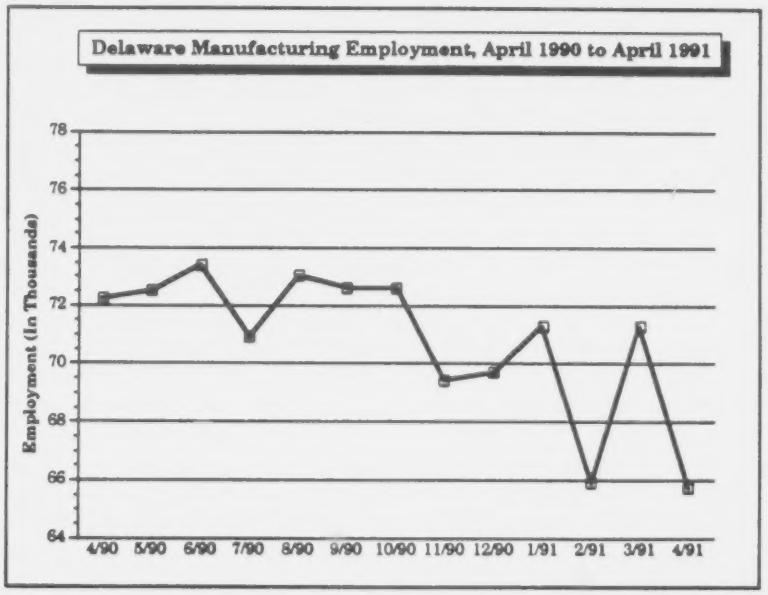
(1) Regression Analysis
(2) Handbook Share
(3) Population-Claims Disaggregation
(4) Census Share
(5) Seasonally Adjusted
(6) Current Population Survey

NOTE: Due to rounding, totals may not add and data may not match similar statistics published in various other state or National releases.

Industry Trends

Between March and April of this year, Delaware's nonagricultural employment declined by 5,000 to 336,600 jobs. **Manufacturing** saw the biggest drop with the temporary layoff of 5,500 auto workers in the transportation equipment industry. Discounting the effect of the auto industry, there would have been a slight gain of about 500 jobs. Typically, there is a large increase in jobs between March and April, mainly due to seasonal hiring. Over the past eight years, the March-to-April gain has averaged 4,700 jobs. This year, however, March to April gains were minimal and seen mainly in **contract construction** (heavy construction and special trades) and **retail trade** (seasonal increase in eating and drinking places).

Total nonagricultural employment has declined by 10,300 since April 1990. Job losses since April of last year have been in **manufacturing** (transportation equipment; chemicals; and miscellaneous durable goods); **government** (state education; and local non-education); **contract construction** (general building; and special trades); **wholesale and retail trade** (general merchandise stores); and **services** (business services; and engineering and management services). Over the year, employment gains have been in **finance, insurance and real estate** (banking).

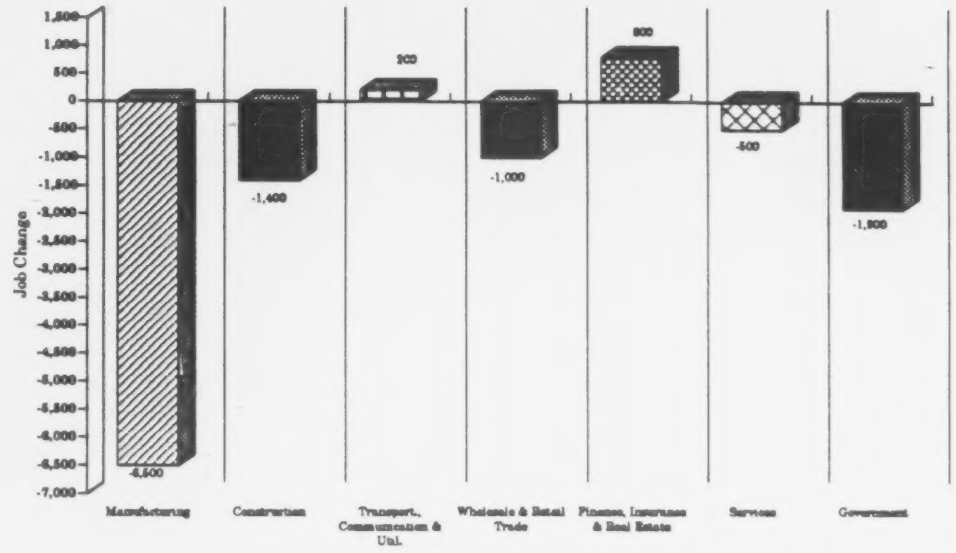


Despite some optimistic signs in the housing market, a quick end to the effects of the recession seems remote. Even if the recession ends this summer, as many economists predict, the labor market will be slow to recover. Signs of significant job growth won't be seen immediately because employers are always conservative in hiring until well after an economic recovery begins.

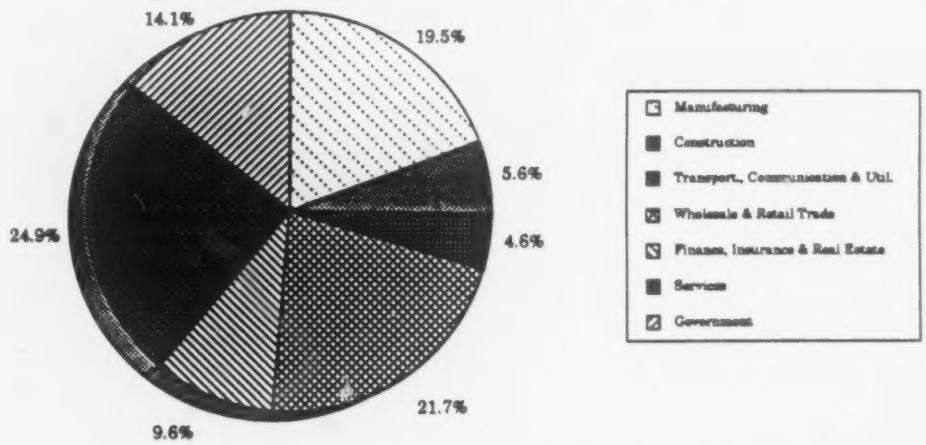
Unlike past recessions the service producing sector has been hard hit. After years of rapid growth, overall service employment in Delaware has declined by nearly ten percent. Business services has lost 800 jobs over the year. The service area was once thought to be recession-proof, but this can no longer supported. A few areas, such has the health field, will continue to be stable or recession resistant, but growth will be slower than normal.

Over the next several months, the Delaware Department of Labor anticipates little, if any, job growth. Some seasonal gains are expected in **retail trade** (especially at the resorts); **food processing**; and **amusement and recreational services**. However, we expect employers to hire fewer seasonal workers than in past years. On the other hand, the auto industry continues to be plagued by slow sales and temporary layoffs (model changeovers are scheduled this summer). There appears to be no specific industry in the private sector that will drive job growth while budget constraints will continue to limit growth in the government sector. Since 1985, growth in State government employment has been only about one-half that of the private sector. This trend is expected to continue.

Net Job Change By Sector, Delaware April 1990 To April 1991



Percent Of Total Employment By Sector, Delaware, April 1991



Delaware Nonagricultural Employment by Selected Industry

INDUSTRY GROUP	Apr 91	Mar 91	Apr 90	Net Change From Mar 91	Net Change From Apr 90
TOTAL NONAG. EMPLOYMENT	336.6	341.6	346.9	-5.0	-10.3
GOODS PRODUCING	84.7	89.6	92.6	-4.9	-7.9
MINING	0.1	0.1	0.1	0.0	0.0
CONTRACT CONSTRUCTION	18.9	18.2	20.3	0.7	-1.4
General Building Contractors	4.6	4.7	5.1	-0.1	-0.5
Heavy Construction Contractors	3.7	3.1	3.4	0.6	0.3
Special Trade Contractors	10.6	10.4	11.8	0.2	-1.2
MANUFACTURING	65.7	71.3	72.2	-5.6	-6.5
Durable Goods	12.9	18.5	18.8	-5.6	-5.9
Primary & Fabricated Metals	3.2	3.2	3.3	0.0	-0.1
Machinery & Electrical Equipment	1.8	1.8	1.8	0.0	0.0
Transportation Equipment	2.5	8.0	7.7	-5.5	-5.2
Instruments & Related Products	3.0	3.0	3.1	0.0	-0.1
Other Durable Goods	2.4	2.5	2.9	-0.1	-0.5
Nondurable Goods	52.8	52.8	53.4	0.0	-0.6
Food & Kindred Products	8.8	8.8	8.6	0.0	0.2
Textile, Apparel, Leather	1.5	1.5	1.5	0.0	0.0
Paper, Printing, Publishing	5.1	5.1	5.2	0.0	-0.1
Chemicals	33.6	33.6	34.1	0.0	-0.5
Petroleum, Coal, Plastics	3.8	3.8	4.0	0.0	-0.2
SERVICE PRODUCING	251.9	252.0	254.3	-0.1	-2.4
TRANSPORTATION & PUBLIC UTILITIES	15.5	15.3	15.3	0.2	0.2
Transportation	10.2	10.1	10.2	0.1	0.0
Railroad Transportation	1.4	1.4	1.4	0.0	0.0
Local & Interurban Passenger Trans.	1.7	1.7	1.7	0.0	0.0
Trucking & Warehousing	4.9	4.8	4.7	0.1	0.2
Other Transportation	2.2	2.2	2.4	0.0	-0.2
Communications & Utilities	5.3	5.2	5.1	0.1	0.2
Communications	2.2	2.2	2.2	0.0	0.0
Electrical, Gas & Sanitary Services	3.1	3.0	2.9	0.1	0.2
WHOLESALE & RETAIL TRADE	73.0	72.9	74.0	0.1	-1.0
Wholesale Trade	13.4	13.5	13.3	-0.1	0.1
Wholesale-Durable	7.7	7.8	7.7	-0.1	0.0
Wholesale-Nondurable	5.7	5.7	5.6	0.0	0.1
Retail Trade	59.6	59.4	60.7	0.2	-1.1
Building Material & Garden Supplies	2.7	2.7	2.9	0.0	-0.2
General Merchandise Stores	8.1	8.2	8.9	-0.1	-0.8
Food Stores	9.4	9.4	9.1	0.0	0.3
Auto Dealers & Service Stations	6.5	6.5	6.7	0.0	-0.2
Apparel & Accessory Stores	3.3	3.2	3.3	0.1	0.0
Furniture & Home Furnishings	2.5	2.5	2.6	0.0	-0.1
Eating & Drinking Places	18.7	18.4	18.8	0.3	-0.1
Miscellaneous Retail	8.4	8.5	8.4	-0.1	0.0

Cont'd

Delaware Nonagricultural Employment by Selected Industry

INDUSTRY GROUP	Apr 91	Mar 91	Apr 90	Net Change From Mar 91	Net Change From Apr 90
FINANCE, INSURANCE & REAL ESTATE	32.2	32.3	31.4	-0.1	0.8
Finance	23.2	23.4	22.4	-0.2	0.8
Depository Institutions	20.3	20.5	19.4	-0.2	0.9
Other Finance	2.9	2.9	3.0	0.0	-0.1
Insurance	5.7	5.7	5.6	0.0	0.1
Real Estate	3.3	3.2	3.4	0.1	-0.1
SERVICES	83.8	84.0	84.3	-0.2	-0.5
Hotels & Other Lodging Places	3.1	3.0	2.9	0.1	0.2
Personal Services	3.3	3.3	3.2	0.0	0.1
Business Services	20.1	20.5	20.9	-0.4	-0.8
Automobile & Miscellaneous Repair	3.6	3.6	3.8	0.0	-0.2
Amusement & Recreation Services	3.4	3.2	3.3	0.2	0.1
Health Services	22.5	22.5	22.2	0.0	0.3
Hospitals	11.3	11.3	11.1	0.0	0.2
Other Health Services	11.2	11.2	11.1	0.0	0.1
Legal Services	2.7	2.7	2.9	0.0	-0.2
Educational Services	4.1	4.1	3.9	0.0	0.2
Social Services	6.8	6.8	6.6	0.0	0.2
Engineering & Management Services	5.3	5.4	5.8	-0.1	-0.5
Membership Organizations	5.5	5.5	5.3	0.0	0.2
Other Services	3.4	3.4	3.5	0.0	-0.1
GOVERNMENT	47.4	47.5	49.3	-0.1	-1.9
Federal Government	5.9	5.9	6.3	0.0	-0.4
State & Local Government	41.5	41.6	43.0	-0.1	-1.5
State Government	23.7	23.9	24.6	-0.2	-0.9
State Education	9.2	9.5	10.4	-0.3	-1.2
State Non-Education	14.5	14.4	14.2	0.1	0.3
Local Government	17.8	17.7	18.4	0.1	-0.6
Local Education	13.5	13.4	13.4	0.1	0.1
Local Non-Education	4.3	4.3	5.0	0.0	-0.7
Persons Involved In Work Stoppages	0.0	0.0	0.0	0.0	0.0

Current Data Preliminary; Previous Month Revised

1990 Unemployment Rates

Lowest		Highest	
Nebraska	2.2	West Virginia	8.3
Hawaii	2.8	Michigan	7.5
South Dakota	3.7	Mississippi	7.5
North Dakota	3.9	Alaska	6.9
North Carolina	4.1	Arkansas	6.9
Delaware	**5.1**	**United States**	**5.5**

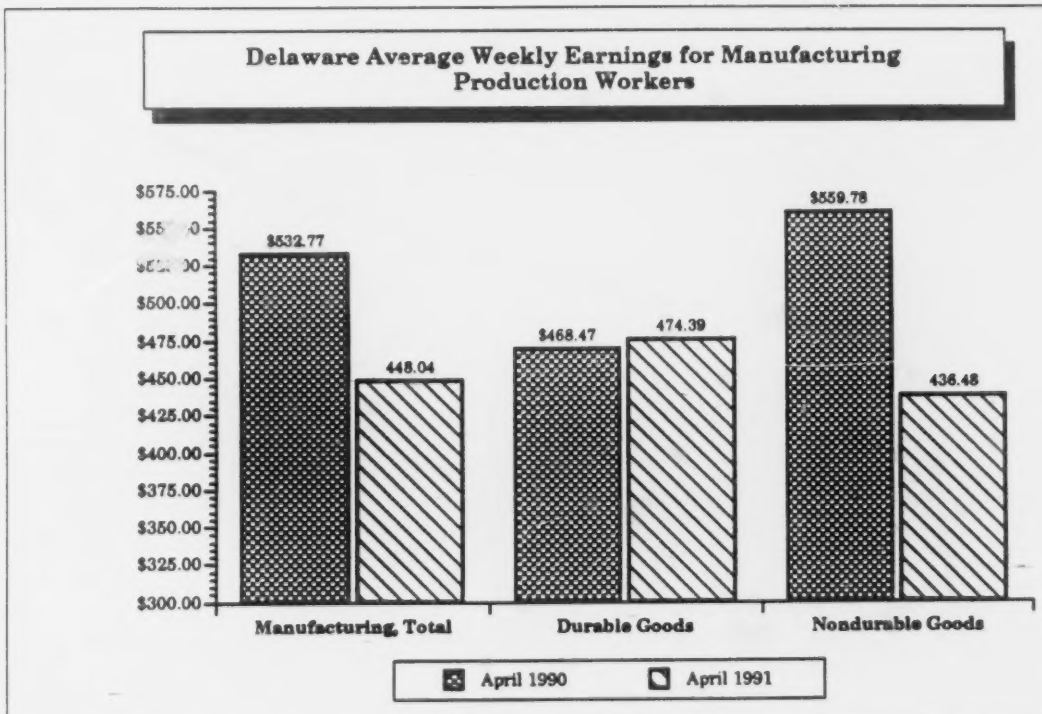
Hours and Earnings of Production Workers in Manufacturing Industries

Delaware *

	Weekly Earnings			Weekly Hours			Hourly Earnings		
	Apr 91	Mar 91	Apr 90	Apr 91	Mar 91	Apr 90	Apr 91	Mar 91	Apr 90
MANUFACTURING	$ 448.04	$ 474.28	$ 532.77	40.4	39.1	40.3	$11.09	$ 12.13	$ 13.22
DURABLE GOODS	474.39	546.05	468.47	38.6	38.4	36.4	12.29	14.22	12.87
Primary & Fabricated Metals	438.50	423.32	381.15	38.6	38.0	37.7	11.36	11.14	10.11
Machinery & Electrical Equipment	520.99	549.98	509.48	40.2	42.7	37.6	12.96	12.88	13.55
Transportation Equipment	724.68	666.62	547.74	39.6	38.6	34.0	18.30	17.27	16.11
Instruments & Related	373.46	366.91	374.26	38.7	38.3	40.2	9.65	9.58	9.31
Other Durable Goods	342.61	338.76	347.51	36.8	36.0	39.4	9.31	9.41	8.82
NONDURABLE GOODS	436.48	421.74	559.78	41.1	39.6	41.9	10.62	10.65	13.36
Food & Kindred Products	327.96	303.00	287.55	42.1	38.5	35.5	7.79	7.87	8.10
Textile, Apparel, Leather	336.04	329.75	351.25	37.8	37.6	39.6	8.89	8.77	8.87
Paper, Printing, and Publishing	398.94	429.24	410.55	36.4	39.2	39.4	10.96	10.95	10.42
Chemicals	638.91	624.14	702.24	42.2	42.2	44.7	15.14	14.79	15.71
Petroleum, Coal, Plastics	459.45	413.61	467.08	43.1	38.8	42.5	10.66	10.66	10.99

*Covers an Estimated 26,800 Production Workers

Current Data Preliminary; previous month revised



The Department of Labor Serving You Better. . .

Unemployment Insurance

In early May, Secretary of Labor Jan Ewing Robinson joined Governor Michael N. Castle to introduce the Division of Unemployment Insurance's "Voice Response Inquiry System," which provides clients with specific information about their unemployment insurance claims by telephone. The Voice Response Inquiry System allows a claimant to call the Department of Labor 24 hours a day, seven days a week, and receive claim information through the use of a touchtone phone. In New Castle County, the number is (302) 368-6903. In Kent and Sussex Counties, call 1-800-794-3032.

Another Unemployment Insurance Initiative involves the "No Report" policy. In the past, people receiving unemployment benefits were required to make bi-weekly visits to an unemployment office and verify their job search by bringing weekly claim forms and work search verification cards. These forms can now be mailed to the Division of Unemployment Insurance. Both of these initiatives allow staff more time to personally service clients entering Department of Labor offices.

Employment and Training

On April 17, Governor Castle unveiled touch-screen ALEX (Automated Labor EXchange), a computer-based system giving job seekers greater access to information on employment opportunities in Delaware, the region, and the nation. Touch-screen ALEX allows job seekers to access computerized job information by simply touching a computer screen to execute computer commands. This easy-to-use, self-service unit gives free information on opportunities from entry-level to highly technical and professional positions and can match military experience to related civilian jobs. Call the nearest Department of Labor Employment and Training Office for more information: New Castle County—(302) 577-2662; Dover—(302) 739-5473; and Georgetown—(302) 856-5230.

Vocational Rehabilitation

Also in April, the Governor's Committee on Employment of People with Disabilities selected six winners for the Journalism and Poster/Graphics components of the Ability Counts Scholarship Program. Open to high school juniors and seniors statewide, this contest is designed to promote awareness of disabled citizens.

Office of Occupational and Labor Market Information

The Office of Occupational and Labor Market Information (OOLMI) has developed a Labor Market Information (LMI) Team to focus exclusively on the many implications of the serious workforce issue faced by both the State and the Nation. The team will focus on areas such as occupational projections to the year 2005, women in the workforce, and career-related issues designed to prepare job seekers for an increasingly competitive job market.

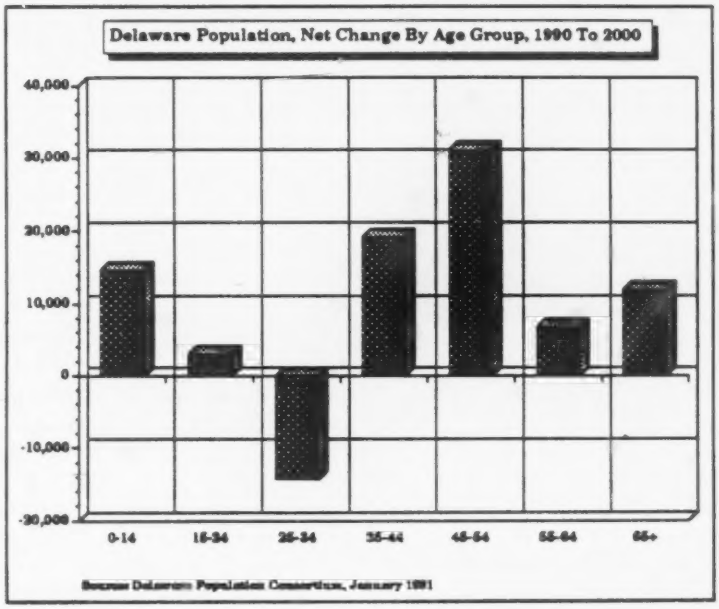
In Cooperation With. . .

. . . the State of Delaware, the Dover Air Force Base, the U.S. Department of Labor's Veterans Employment and Training Service, and the Department of Veterans Affairs, the Transition Assistance Program (TAP) arrived at the Dover Air Force Base in early April. TAP is a three-day job-training workshop designed to prepare retiring military personnel and their spouses to enter the civilian workforce. The workshop is held once a month and provides information on career decision-making, an evaluation of employability, substance abuse information, current occupational and labor market information, a review of the tools required to conduct a successful job search, and the availability of training programs.

The Changing Workplace

In the past few years, the employment picture in Delaware has done a complete about-face. From unprecedented job growth in the 1980's to relatively flat growth in the early 90's, Delaware employers remain united on one front: the State needs skilled, well-educated workers who can rise to the challenges of a changing workplace.

During the 1980's, Delaware experienced the seventh fastest rate of job growth in the nation, with the creation of over 87,000 new jobs. As growth accelerated and opportunities became available, Delaware rose out of the economic doldrums to a prosperity virtually unrivaled anywhere in the nation. As the decade came to a close, Delaware was faced with a dilemma: a tightening labor market with more jobs than qualified people to fill them. This, in turn, contributed to a job growth slowdown that carried over into the 1990's and remains with us today.

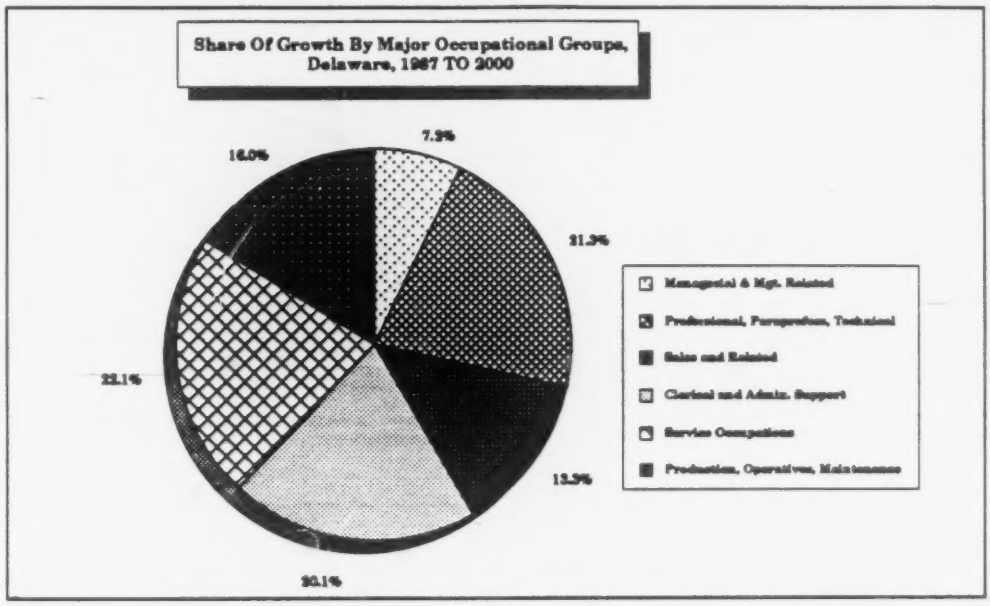


Today, Delaware's weak job growth is attributed to a recession that has plagued much of the Nation, especially the Northeastern and Mid-Atlantic states. A slowing economy has caused companies to layoff hundreds of workers, making competition for available openings quite intense. Unemployed job seekers with marginal skills and limited training face a very competitive market with a potentially long job search ahead. Even highly-skilled job-seeking executives will find it tough as companies streamline to cut costs and maximize profits. In the 1980's, it was a buyer's market, with employers searching high and low for qualified applicants. In the 1990's, the impetus lies with the job-seeker, who must compete with many other applicants for fewer job openings.

Whether the economy is up or down, the need to address difficult workplace issues always remains with us. In these recessionary times, companies must do everything they can to compete as well as survive in what has become a global marketplace. To do this, they must hire people who can adapt to the technological and economic changes occuring in the workplace.

Technology is changing the workplace to a point where a current occupation may not even exist or will have changed beyond recognition within 10 years. This is where the value of education becomes critical. To be successful, workers must be flexible enough to adapt, improve, and update their skills to meet the changing needs of their employers. The concept of life-long learning has become a mandatory element of workforce participation as employers develop on-the-job training and education programs for their workers. As global competition increases, education and training will play a key role in the next 10 years since nearly 25% of all new jobs will require a four-year college degree. Since employers are demanding higher skill levels of potential employees, it is imperative that we continue to improve our educational system.

When planning for the future, employers and employees must be aware of the demographic changes taking place around them. The workforce is aging. By the year 2000, the over-35 age category will see the largest growth. Of that, the 45-54 age group will see the biggest gain (31,000), reflecting an aging of the baby-boom generation. The number of 25-34 year olds will actually decrease and those 15-24 will see only a marginal increase. At the lower end of the spectrum, those under the age of 14 will increase, creating a need for more teachers and schools.



What does this mean for employers and job seekers? Our current economic situation has forced laid-off experienced workers to pursue lower paying, entry-level jobs, thus making the job search much more competitive for younger workers.

As the country eases out of the recession and more jobs become available, the situation will change quite drastically. In the long run, 25-34 year olds will find it difficult to advance into the upper ranks due to the large numbers of 45-54 year olds. However, there still won't be enough younger workers to fill entry-level positions.

Another problem facing employers as we head toward the year 2000 is an overall shrinking of the labor force. Fewer workers mean employers will have to find ways to retain older workers in the workforce.

Women will also play an increasing role. In 1989, Delaware women had a labor force participation rate of 64%, ranking them third highest in the nation. Our challenge to employers is to find ways to attract more women to enter the workforce. This can be done by meeting the need for child care and offering incentives such as flextime and job sharing.

Although job growth has slowed, the prospects for future growth are not diminished. Through the year 2000, the Delaware Department of Labor projects 6,400 newly created jobs per year in the First State. In addition, another 12,000 "replacement" openings will occur due to people leaving the labor force. To ensure continued job growth in Delaware, it is imperative that employers and employees continue to address workforce issues and strive to make all of our citizens job-ready.

Unemployment Insurance Statistics

	April 1991	March 1991	April 1990	% Change From Prior Month	% Change From Year Ago
Initial Claims-Total *	6,386	8,944	6,144	-28.6%	3.9%
Auto Makers	2,464	5,466	3,083	-54.9%	-20.1%
Non-Auto	3,922	3,478	3,061	12.8%	28.1%
Weeks Claimed **	50,828	42,756	20,509	18.9%	147.8%
Auto Makers	15,438	5,994	2,987	157.6%	416.8%
Non-Auto	35,390	36,762	17,522	-3.7%	102.0%
First Payments #	1,643	2,147	1,036	-23.5%	58.6%
Final Payments ##	469	411	190	14.1%	146.8%
Weeks Compensated @	47,360	44,016	19,948	7.6%	137.4%
Amount Compensated	$8,650,958	$7,616,681	$3,264,548	13.6%	165.0%
Average Weekly Check Amount	$182.66	$173.04	$163.65	5.6%	11.6%

* **Initial Claims** include New Initial Claims and Additional Initial Claims. A New Initial Claim is filed when a person becomes unemployed and files for unemployment insurance for the very first time in a benefit year. Additional Initial Claims are filed when someone has already filed a New Initial Claim due to unemployment, returned to work for at least a week, and then become unemployed again.

** **Weeks Claimed** account for the total number of weeks claimed for unemployment insurance within a given month.

\# **First Payments** are New Initial Claims that receive unemployment compensation checks.

Final Payments occur when a claimant receives the last check in his or her benefit cycle (not to exceed one year).

@ **Weeks Compensated** account for the number of Weeks Claimed that were paid during the month.

Total initial claims were higher in March than in April due to start of temporary layoffs in the auto industry during the latter part of the month. But the layoffs continued into April and increased the weeks claimed for that month.

Non-auto related initial claims for April 1991 were 3,922 or nearly 13% higher than in March 1991 and 28% higher than the same period last year. This measure, a more accurate gauge on economic activity than the volatile total intital claims measure, would indicate that the recession continues to take its toll on Delaware's economy.

Weeks claimed for April were 50,828, a rise of 19% over March and a jump of nearly 148% over April 1990. Non-auto weeks claimed were double that of a year ago.

The amount compensated by unemployment insurance was $8.7 million in April 1991 compared to $7.6 million in March, 1991 and $3.3 million in April 1990.

The average weekly check to claimants was $182.66 in April 1991 compared to $163.65 in April 1990.

Unemployment Insurance Benefits Quality Control Data

The Unemployment Insurance Benefits Quality Control review process continued to be used during calendar year 1990 as a diagnostic tool by Division of Unemployment Insurance staff to identify errors and their causes and in correcting and tracking solutions to problems. Weekly random samples of unemployment insurance benefits payments were selected and examined thoroughly to determine if claimants were paid the proper benefit amounts. On the basis of the errors identified, the Division develops and implements corrective action to insure the effective and efficient administration of this State's unemployment insurance program, laws, rules, and procedures.

The three primary causes of improper benefit payments and subsequent overpayments are:

(1) Failure of claimant to actively seek work.
(2) Untimely registration or non-registration of claimant for work with Division of Employment and Training.
(3) Failure of claimant to properly report wages.

During calendar year 1990, the Division of Unemployment Insurance continued to aggressively address the issues of active work search and registration for work through the following efforts:

(1) The "work search verification" program which was implemented in December 1989 remains in effect. As a condition of the weekly active work search eligibility requirement, an unemployed individual must submit at least one work search verification card, completed and signed by a representative of the employer contacted, for each week of benefits claimed.

(2) The use of a "work search verification" follow-up letter submitted, on a random basis, to employers to verify that job contacts have been made by unemployed individuals was increased.

(3) The cross-matching of claimant files and the exchange of information was continued between the Division of Unemployment Insurance and the Division of Employment and Training to verify claimant work registration status.

An initiative under consideration for implementation during calendar year 1991 is the inclusion of weeks of reduced benefit payments in the employer cross match process.

Overpayments identified by the Quality Control review process were reduced by 6.8% from the previous year. More importantly, during the first four months of calendar year 1991, overpayments identified by the Quality Control review process have been reduced an additional 10.0%. Clearly, the corrective action taken has proven to be an effective means to prevent and detect benefit overpayments.

During calendar year 1990, the State of Delaware continued its proactive approach to effect the recovery of benefit overpayments. Recovery methods used were benefit offset, cash collections, court prosecution, and state income tax refund intercept. As a result of these various recovery efforts, a total of $493,945 was recovered for the Delaware Unemployment Insurance Trust Fund, an increase of 16.2% over last year. In addition, a recovery rate of 66.0% was realized during the year which exceeds, by 11.0%, the desired level of achievement established by the U.S. Department of Labor, Employment and Training Administration.

Finally, a summary of the "Benefit Quality Control Data" for CY 1990 is provided in the table on the following page:

Unemployment Insurance Benefits Quality Control Data (CY 1990)

Total Dollars Paid in Population	$35,108,817
Total Dollars Paid in Sample	$85,284
Sample Size (# of claims reviewed)	494
Weeks of Benefits Claimed in Population	207,593
Weeks of Benefits Claimed in Sample	494

	Percentage of Dollars	Confidence Interval
Proper Payments within Sample	84.6%	+ or - 3.4%
Overpayments within Sample	15.4%	+ or - 3.4%
Total	100.0%	
Underpayments	0.5%	+ or - 0.4%

Note: The State completed 92.9% of the cases within 90 days. The QC program requirement is 95.0% completed within 90 days.

Although 1.2% of the nple cases were not completed when this report was epared, this did not exceed the QC program requirement that no more than 2% of the cases for the year remain incomplete.